

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: James R. Helmer

SUBJECT: G85B CDBG Green Vision
Street Tree Planting Project

DATE: 06-08-09

Approved

Date

6/9/09

COUNCIL DISTRICT: 5

RECOMMENDATION

Report on bids and award of contract for the G85B CDBG Green Vision Street Tree Planting Project to the low bidder, Blossom Valley Construction, Inc., in the amount of \$118,568 and approval of contingency in the amount of \$6,000.

OUTCOME

Approval of this contract award will improve the street tree canopy in the East Valley/680 Communities Strong Neighborhoods Initiative area and support the City's Green Vision tree planting goals and provide more walkable neighborhoods to improve viable transportation choices and promote community livability.

Approval of the five percent contingency will allow funding for any unanticipated work necessary to complete the project.

BACKGROUND

The Department of Transportation was awarded a Community Development Block Grant (CDBG) to fund two aligned projects in a low-income neighborhood:

1. Install new Light Emitting Diode (LED) street lights, and
2. Plant new street trees to improve the appearance and property values of a low-income neighborhood.

A neighborhood bounded by King Road, Story Road, Capitol Expressway and Ocala Avenue in Council District 5 met the low-income eligibility requirements and had the type of existing low-pressure sodium lights that were good candidates for replacement. A field inspection of the neighborhood revealed that there are many vacant street tree planting sites and that the widths of the existing parkstrips are conducive for planting shade-producing trees that will improve the walkability of the neighborhood on hot summer days. Therefore, this neighborhood, known as the Cassell neighborhood, was selected.

The street tree planting project will plant five hundred 15-gallon street trees, using a selection of drought-hardy species that will not require a great deal of additional watering once the trees are established. Included in the project is the requirement for the contractor to water, prune, and care for the trees until December 30, 2009. Trees normally need to be watered for two to three years before they are completely established. The San José Redevelopment Agency (SJRA) will fund two years of establishment costs for the trees beyond the length of the CDBG grant.

Construction is scheduled to begin in June 2009 and completion by December 30, 2009. Depending on the severity of the heat of the summer, which increases the transplant shock to the young trees, planting of the trees might be delayed until the cooler weather resumes in the fall.

ANALYSIS

Bids were opened on May 7, 2009, with the following results:

| <u>Contractor</u> | <u>Bid Amount</u> | <u>Variance</u> | <u>Over/(Under) Percent</u> |
|--|--------------------------|------------------------|--|
| Elite Landscaping, Inc. (Clovis) | \$331,188.00 | \$69,188.00 | 32 |
| Cleary Bros. Landscape, Inc. (Danville) | \$314,300.00 | \$52,300.00 | 20 |
| Lone Star Landscape, Inc. (San Martin) | \$267,800.00 | \$5,800.00 | 2 |
| Engineer's Estimate | \$262,000.00 | --- | --- |
| Alfred Joseph Landscaping, Inc (Redwood City) | \$238,000.00 | (\$24,000.00) | -9 |
| The Professional Tree Care Co. (Berkeley) | \$225,458.00 | (\$36,542.00) | -14 |
| General Landscaping Service (San José) | \$219,495.66 | (\$42,504.34) | -16 |
| Our City Forest (San José) | \$215,080.00 | (\$46,920.00) | -18 |
| Perma Green Hydroseeding, Inc. (Gilroy) | \$192,020.00 | (\$69,980.00) | -27 |
| Watkin & Bortolussi, Inc. (San Rafael) | \$186,775.00 | (\$75,225.00) | -29 |
| Odyssey Landscape (Stockton) | \$169,594.00 | (\$92,406.00) | -35 |
| Suarez & Munoz Construction, Inc. (Hayward) | \$158,300.00 | (\$103,700.00) | -40 |
| J J Nguyen, Inc. (San José) | \$144,704.00 | (\$117,296.00) | -45 |
| Blossom Valley Construction, Inc. (San José) | \$118,568.00 | (\$143,432.00) | -55 |

Staff recommends that the construction contract be awarded to the low bidder, Blossom Valley Construction, Inc. The low bid submitted by Blossom Valley Construction, Inc., is fifty-five percent below the Engineer's Estimate. Based on the bid results, the average and median bid amounts are eighteen percent below the Engineer's Estimate. This contractor has successfully completed previous landscaping projects for the City. Considering the current bidding environment, including the steep competition in the construction industry in the valley, staff considers the low bid reasonable for the work involved.

Council policy provides for a standard contingency of five percent on public works street projects. The standard contingency is appropriate for this project. The funds budgeted for this project are sufficient to provide for the recommended contingency.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule. No additional follow-up action with the Council is expected at this time.

PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This project does not meet any of the minimum requirements as defined by Public Outreach criteria. To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*, the *La Oferta Spanish Newspaper* and the *Thoi Bao Vietnamese Newspaper*. Bid packages for all public works construction projects were provided to various contractor organizations and builder's exchanges. Notices to Contractors were also sent to the Minority Business Enterprise and the Women's Business Enterprise.

In addition, this project was presented to the Cassell Neighborhood Advisory Committee of the East Valley/680 Strong Neighborhood Initiative area for their information.

This award memo will be posted on the City's website for the June 30, 2009 Council Agenda.

COORDINATION

This project and memorandum have been coordinated with the Department of Housing, Department of Planning, Building and Code Enforcement, the City Attorney's Office, the City Manager's Budget Office and the San José Redevelopment Agency.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

| | |
|---------------------------|------------------|
| Construction | \$118,568 |
| Contingency (5%) | 6,000 |
| TOTAL PROJECT COST | \$124,568 |

2. COST ELEMENTS OF THE AGREEMENT/CONTRACT:

| | |
|------------------------------|------------------|
| Concrete Removal | \$27,738 |
| Street Trees | 77,750 |
| Maintenance Period | 13,080 |
| TOTAL CONTRACT AMOUNT | \$118,568 |

3. SOURCE OF FUNDING: 441 - Community Development Block Grant Fund

4. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memorandum, including construction and contingency costs.

| Fund # | Appn. # | RC # | Appn. Name | Total Appn. | Amt. for Contract | 2008-2009 Adopted Budget Page | Last Budget Action (Date, Ord.No.) |
|--------|---------|--------|-----------------------|-------------|-------------------|-------------------------------|------------------------------------|
| 441 | 6312 | 153165 | Green Streets Project | \$425,000 | \$118,568 | X-12 | N/A |

HONORABLE MAYOR AND CITY COUNCIL

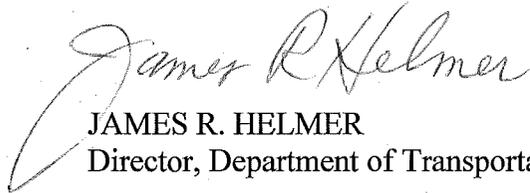
06-08-09

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CEQA

Exempt, PP08-168

A handwritten signature in cursive script that reads "James R. Helmer". The signature is written in dark ink and is positioned above the printed name and title.

JAMES R. HELMER

Director, Department of Transportation